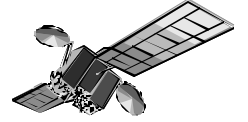


8th Satel Conseil Symposium

Sharing Orbital and Spectrum Resources

Thomas S. Tycz
Chief
Satellite Division
Federal Communications Commission

December 10, 2002



The Rules are Changing

■ Spectrum Policy Reform

- Increasing service demand straining spectrum policies
- Technological advances enable spectrum policy changes

■ ITU Rule Changes

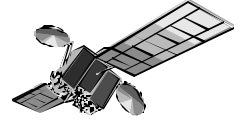
- Different technologies sharing band
 - NGSO / GSO systems
- Time reduced to bring systems into use
- ITU cost recovery
- Due Diligence Requirements

■ WTO Requirements

- Equal access to markets

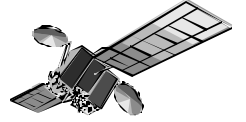
■ Corporate Developments

- Privatized International Operators
- International mergers
- Filings through multiple administrations



International Implications for the Regulator

- WTO obligations in conjunction with ITU First Come First Served Filing procedures impact domestic assignment procedures.
 - Orbital locations may not be available in processing round
 - US Process is slow to meet new environment
- Satellite companies filing through multiple administrations
 - Definition of domestic company blurred
 - Flag of convenience vs. flag of administration
- Shortened Due Diligence Cycle further speeds process
 - Faster licensing required
 - Construction Milestone Requirements Strengthened



Licensing Process Needs Reform

■ **Current Processing Round Procedure Inadequate to meet current needs**

- Delays in process impose real economic costs on customers and operators
- Time frames required create difficulty in meeting ITU requirements
- Keeps spectrum unused, inefficient spectrum usage
- Not compatible with new satellite system designs



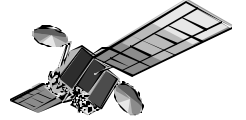
Licensing Process in Transition

■ Spectrum Policy Task Force Report

- No single regulatory model applies to all spectrum
- Models based on clear definitions of interference rights and responsibilities of spectrum users
- Migrate from command and control to market oriented exclusive rights models

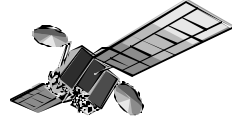
■ Space Station Streamlining Proposed Rule Making

- Offered alternative licensing methods
 - First Come – First Served:
 - Consider all applications in the order they are filed
 - Grant each qualified application that is not mutually exclusive with a previous license.
 - Streamline Processing Rounds:
 - Divide available spectrum / orbit resource among qualified applicants.
- Can one procedure work with all types of networks? Does one size fit all?



Licensing Process in Transition

- Review possible enhancing procedures
 - **Review License transfer rules – “Trafficking”:**
 - FCC currently prohibits the sale of a "bare license" for profit.
 - Possible barrier in transferring a license to another party more able to provide timely service.
 - **Consider restrictions to limit speculation and excessive spectrum acquisition:**
 - Limit number of pending satellite applications for one applicant
 - Ownership attribution rules
 - License sale contingent on buyer meeting original milestones



Potential Outcome

- Faster access to US market for all operators
- International and domestic rule convergence
- Domestic and international operators on an equal footing
- Faster decisions should clear the International filing fog